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VIA ELECTRONIC FILING

Jocelyn G. Boyd
Chief Clerk / Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

**RE: Application Regarding the Acquisition of Progress Energy, Incorporated by
Duke Energy Corporation and Merger of Progress Energy Carolinas,
Incorporated and Duke Energy Carolinas, LLC
PSC Docket No. 2011-158-E; Order No. 2012-517**

Dear Mrs. Boyd:

Pursuant to Order No. 2012-517 Approving Joint Dispatch Agreement, please find attached the Potomac Economics' reports issued for January 1, 2014 through March 31, 2014 to FERC concerning Duke Energy Carolinas, LLC's ("DEC") and Duke Energy Progress, Inc.'s ("DEP") compliance with the interim and permanent mitigation measures meant to address FERC's market power concerns stemming from the DEC and DEP merger. The reports find that DEC's and DEP's permanent market power mitigation projects are advancing as approved by FERC.

Please let me know if you have any questions.

Sincerely,

Timika Shafeek-Horton
Deputy General Counsel

TSH/bml

cc: Shannon B. Hudson, ORS
Jeffrey M. Nelson, ORS
John W. Flitter, Director of Electric and Gas Regulation
Parties of Record